Privatisation of coal production

†*255. SHRI RUDRA NARAYAN PANY: Will the Minister of COAL be pleased to state:

(a) whether Government have entrusted the mining of coal exclusively to the private companies;

(b) whether Government have started privatisation of various parts of the process of coal production; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) As per the existing legal framework, only public sector coal companies can carry on coal mining for commercial purposes. However, the Coal Mines (Nationalisation) Act, 1973, as amended from time to time, allows captive mining of coal by private Indian companies for use in power generation, iron and steel manufacture and cement production.

(b) and (c) Coal India Limited (CIL) has adopted the concept of outsourcing in some mines. Certain activities of coal production in some of the coal mines in the subsidiaries of CIL are being undertaken by hired equipment for the following reasons:

(i) Building up additional capacity of coal production;

(ii) Avoiding capital investment;

(iii) Reducing cost of operations and

(iv) Developing isolated small opencast deposits, which are not amenable to scientific and economic development by departmental operation in certain subsidiaries.

Activities, which are outsourced, are mainly mechanized extraction of coal and transport, removal of over burden in some of the open cast mines. In addition, transport of coal and sand are also done in some mines through hiring of equipments.

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†Original notice of the question was received in Hindi.